

Prepared by and Return To:
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11/29/11 9:06:13
OK P BK 148 PG 213
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

BK/PG: 1468/642-644

11208237

3 PGS: AL - AGREEMENT	
MARSHA BATCH: 73910	
11/21/2011 - 12:37 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	17.00

STATE OF TENNESSEE, HAMLEN COUNTY
JIM CLAWSON
REGISTER OF DEEDS

CROSS-DEFAULT AND CROSS-COLLATERALIZATION AGREEMENT

THIS CROSS-DEFAULT AND CROSS-COLLATERALIZATION AGREEMENT

is made and entered into as of the 15th day of November, 2011, by **JONES FIBER PRODUCTS, INC.**, a Tennessee corporation ("Borrower") in favor of **REGIONS BANK** ("Bank").

WITNESSETH:

WHEREAS, as of the date hereof, Bank has extended a term loan to Borrower in the amount of \$8,000,000.00 (the "Term Loan"); and

WHEREAS, prior to the date hereof, Bank has extended a line of credit to Borrower in an amount not to exceed \$3,000,000.00 more particularly described below (the "Working Capital Loan"); and

WHEREAS, as a condition precedent to extending the Term Loan, Bank has required Borrower to enter into this Agreement to cross-collateralize the Working Capital Loan and the Term Loan and to agree that all of the loans described herein are cross-defaulted.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Cross-Collateralization. All of the collateral securing the Working Capital Loan shall hereafter be cross-pledged and held as security for the Term Loan and all of the collateral securing the Term Loan shall be cross-pledged and hereafter held as security for Working Capital Loan. Borrower hereby grants to Bank a security interest in all such collateral to secure the Loans.

2. Cross-Default. Any default under the terms and conditions of the Working Capital Loan, including any default under any instrument evidencing a security interest in collateral securing the Working Capital Loan shall constitute a default under the Term Loan. Any default under the Term Loan, including any default under any instrument evidencing a security interest in collateral securing the Term Loan shall constitute a default under the Working Capital Loan.

Witness our hands as of the day and year first above written.

JONES FIBER PRODUCTS, INC.

By:

Name: Richard T. Ayers

Title: Secretary

STATE OF TENNESSEE
COUNTY OF GIBSON

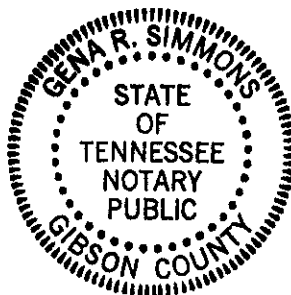
Before me personally appeared Richard T. Ayers, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Secretary of Jones Fiber Products, Inc., the within named bargainor, a Tennessee corporation, and that he, as such Secretary, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as such Secretary of the corporation.

WITNESS my hand and Notarial Seal at office this 15th day of November, 2011.


Notary Public

My Commission Expires:

5/11/15






Tom Leatherwood

Shelby County Register

As evidenced by the instrument number shown below, this document
has been recorded as a permanent record in the archives of the
Office of the Shelby County Register.

	
11113783	
11/16/2011 - 02:37 PM	
3 PGS	
LIZ 894605-11113783	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	0.00
WALK THRU FEE	0.00
TOTAL AMOUNT	17.00
TOM LEATHERWOOD	
REGISTER OF DEEDS SHELBY COUNTY TENNESSEE	

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